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# apartment MANAGEMENT Magazines

## Property Management Corner Property Management Questions & Answers

**By Erin Harris (714) 694-1094**

**Q:** I just took over management of a rental unit that is rented to three individuals. One of the three renters just informed me that one of the three roommates will be leaving at the end of this month. The remaining two renters plan to get a new roommate before month end and they want to leave the security deposit in place. Don't I need to return the security deposit since it is my understanding that all three roommates on the lease have equal right to the security deposit? How should I handle this?

**A:** This is a common occurrence for rental property owners, where roommates are involved. The security deposit should run with the unit. The security deposit is returned 21 days after the owner has been given possession of the rental unit.

In this situation, you can simplify matters by using a Release and Assignment of Security Deposit form. Thus, when one tenant indicates that he is vacating the rental unit, you have him formally release his interest in the security deposit and legally assign it to the incoming tenant. Thus the outgoing and incoming tenants must handle any financial arrangements between themselves. You should also make sure that your lease or rental agreement always accurately indicates the current occupants. The use of a Release and Assignment of Security Deposit form simplifies this problematical situation and minimizes the owner's chance of getting entangled in a roommate dispute over each individual tenant's legal claims to the security deposit.

**Q:** We are interested in listing and putting our rental home on the market. Although our tenants have paid their rent on time, they have not properly maintained the exterior of the property. We want to inspect the interior of our rental home and sure that it is in good condition. If interior repairs are necessary, we want to complete the repairs prior to showing the home to prospective buyers. Do we have the legal right to enter the rental property and to inspect the home? If so, what is the proper way to go about it?

**A:** California Tenant-Landlord law allows for the entry by the landlord into the rental home for various reasons. These include making necessary repairs, showing the property to prospective buyers, new renters, maintenance/repair persons and bankers -- or in the case of an emergency.

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The one reason for entering the house specifically not mentioned in the law is entering the rental property to make an inspection. Therefore giving a notice of entry to conduct an inspection may be improper and an invasion of the privacy rights of the tenant.

One simple suggestion is to discuss your plans with the tenant and seek to arrive at some mutually beneficial arrangement. Hiding the fact of trying to sell the house may create problems in the future. Explain to your tenant that it may take quite a while to complete the repairs and to sell the house. Also inform your tenant that he will enjoy the benefits of a fixed-up home until it is sold.

You can offer an incentive for their cooperation. For example, a nominal rent discount can pay for itself many times over if the tenant cooperates with showing the property while it is on the market and after a favorable sale is made.

**Q:** After giving my Landlord a 30-day notice, I moved out of my apartment after nearly four years. During my move-out inspection with the owners, they indicated that I would receive \$750 of my \$800 security deposit. How long do I have to wait for the manager/owner to return my security deposit to me, and how much interest am I due?

**A:** There is no state law in California that mandates a landlord to pay interest on a tenant's security deposit funds. Thus, unless you have a written agreement indicating otherwise, the landlord does not owe you any interest. (Also, check with your local apartment association or community housing department for information pertaining to local laws regarding the payment of interest on a tenant's security deposit funds.)

Since you have lived in your apartment dwelling for nearly four years, the amount of time to return your security deposit may have changed during the time of your tenancy. As of Jan. 1, 1994, California Tenant-Landlord law changed. Your Landlord now has up to 21 days after you legally terminate your tenancy to provide you with a written disposition report on your security deposit (a Security Deposit Refund statement). Your Landlord must also return any remaining balance of your Security Deposit owed to you (unless there is a clause in your lease agreement that provides for a shorter period).

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